

Governor Daniels' Property Tax Plan: Fair, Far-Reaching, and Final Property Tax Relief for Hoosier Homeowners

Comparison of Governor's Plan to Current Law

	Currently	Governor's Plan
New property tax relief funded by the state	<ul style="list-style-type: none"> \$250 million for 2008 \$100 million for 2009 	<ul style="list-style-type: none"> \$950 million for 2008 \$1 billion for 2009
Standard Homeowners Deduction	<ul style="list-style-type: none"> Lesser of one-half of assessed value or \$45,000 	<ul style="list-style-type: none"> Current standard deduction PLUS an additional 35% of net assessed value
Tax Cap ("Circuit Breaker") for Homeowners	<ul style="list-style-type: none"> 2%, effective January 1, 2008 Excludes school general fund Contained in statute 	<ul style="list-style-type: none"> 1%, effective January 1, 2009 Contained in the state constitution
Tax Cap for Residential Rental Property	<ul style="list-style-type: none"> None. 3% effective for 2010 Contained in statute 	<ul style="list-style-type: none"> 2%, effective January 1, 2009 Contained in state constitution
Tax Cap for Commercial and Industrial Property	<ul style="list-style-type: none"> None. 3% effective for 2010 Contained in statute 	<ul style="list-style-type: none"> 3%, effective January 1, 2009 Contained in the state constitution
Amount of school general fund paid by property taxes	<ul style="list-style-type: none"> 15% 	<ul style="list-style-type: none"> 0%
Amount of school transportation fund paid by property taxes	<ul style="list-style-type: none"> 78% 	<ul style="list-style-type: none"> 0%
Amount of family and children's fund paid by property taxes	<ul style="list-style-type: none"> 89% 	<ul style="list-style-type: none"> 0%
School Rainy Day Fund	<ul style="list-style-type: none"> \$316 million 	<ul style="list-style-type: none"> \$366 million
Local Spending Controls	<ul style="list-style-type: none"> Property tax increases limited to <u>statewide</u> six year average personal income growth Numerous loopholes, appeals and exclusions, including no limitation on debt service growth No controls on other local spending 	<ul style="list-style-type: none"> Total county spending increases limited annually to average growth in <u>county</u> personal income over the previous six years No loopholes; no exclusions Referendum for any increases over spending cap
Adoption of local budgets	<ul style="list-style-type: none"> 2,400 taxing units with independent authority to adopt budgets, tax rates and levies 	<ul style="list-style-type: none"> One body approves all spending by taxing units within the county, ensuring that total spending increases in the county are limited to growth in county personal income
Taxpayer participation in capital projects	<ul style="list-style-type: none"> Petition/Remonstrance 	<ul style="list-style-type: none"> Referendum
Property Assessment Responsibilities	<ul style="list-style-type: none"> 1,110 elected township and county assessors 	<ul style="list-style-type: none"> One professionally trained assessor per county appointed by the county council